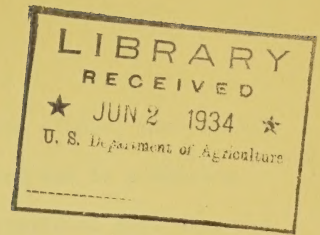


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#### THE YOUNG MAN IN THE NEW DEAL

Remarks of Alfred D. Stedman, Assistant Administrator  
of the Agricultural Adjustment Act, at the convention  
of the Junior Chamber of Commerce of the United States,  
Miami, Florida, June 22, 1934.

Like you, I am a young man who is  
interested in the New Deal.

The New Deal fascinates young men. It is like them. It has their qualities  
of progressiveness, optimism and vigor. It does not cling with the grim grip of  
age to all things as they are, no matter how bad they are. There is in it no  
hopeless resignation to fate. The New Deal has young man's will to make things  
better. It does not surrender, but tries to take command of destiny.

Nobody could be more interested in the New Deal than you are. You know  
its spirit, and appreciate its aims. You have learned by experience in your own  
communities what civic enterprise is. Frequently you have subordinated self in  
community undertakings. The good you expected to derive was only your rightful  
share in a public achievement. That plus satisfaction and pride of service in the  
common good.

So you have developed a sense of social responsibility. Your leadership in  
your own communities is an assertion of that motive.

That ability of men to make a common effort is the most important single  
factor in the New Deal. It is the motive which animates men to strive together



for objectives too great to be attainable by individuals acting alone. That spirit always resists oppression of the many by the few. It dominated men in achieving American independence. It led to the establishment of constitutional government on this continent.

In time of stress, nations call upon their young men for the best that is in them. And the best is this sense of responsibility to the community, this adaptability to common effort.

Such times as these widen the scope of civic activity. Limits imposed by community boundaries are swept away. The need for an attitude of responsibility is revealed as national. The nation needs the same interest in national problems that you have demonstrated in your own communities. It calls upon you, and young men of your abilities to extend your horizons. The New Deal offers you more than it can offer less adaptable or less public spirited men. But it needs the support of your energy and abilities, not only in local projects but in national affairs.

The greatest difference between the old deal and the New Deal lies in the degree of their responsibility to the public.

The old deal was irresponsible. The old deal men in Government did not act like you fellows do when you take off your coats and go to bat for something the community needs. They did not assert their responsibility, nor vigorously extend protection to people desperately needing help. They did not act, but talked about rugged individualism as an excuse for not assuming responsibility.

Not only in government but in business, the old deal was irresponsible. You men know that even better than I. Business, in its honorable sense, fought for a decent chance to survive. The rank and file of business was just as devoted in 1929 as now to its rightful function. Your people were giving your energies to the efficient and economical production and distribution of useful things. That is the essential service of business.





But the old deal did not give most of you an even chance. The impulse of the vast majority of businessmen is to contribute something worth while, and help meet some real public need. The old deal enforced no rules to this end. Instead it gave free rein to avarice.

There wasn't anything good about the exploitation, of the Insulls, the Mitchells, the Kruegers and the Wiggins. They seized the unbridled license of the old deal.

Such men pursued solely selfish purposes, with scant regard for efficient production or distribution of goods. Their activities became wholly anti-social. And when ruin overtook them, it carried down not only them, but also thousands of honest businessmen.

The fate of those who in 1929 were destroyed by unscrupulous promotions was a symbol of the cost of irresponsibility to business and the public. The men of frenzied finance acknowledged no social responsibility. They held themselves answerable to no man, and to no code except social non-interference with their operations. The Government condoned and defended. Venal and anti-social officials collaborated in the exploitation, often for bribes in various forms. Unsuspecting people engaged in honest business were among the victims. And even after the widows and orphans investing in worthless securities were made penniless and hungry, even then it took a New Deal before the Government asserted its social responsibility to feed them.

Such were the old deal's demonstrations of its social irresponsibility. Lack of public supervision was a forerunner of the mad gamble and stockmarket smash in 1929.

Other worse examples ushered in the New Deal. Fourteen million unemployed were living witnesses of the need for awakening of the public conscience. They, like the honest businessmen who were ruined, were victims of the unbridled license



which permitted a few manipulators to do as they pleased with other people's money.

An extreme case was that of agriculture. Remember it was as part of a national effort that farmers expanded their acreage in wartime. Agriculture was told that food would win the war. Remember, too, that when the War was over the Government permitted a cruel deflation in 1921.

For 12 years the farmers suffered unaided. They were not told that our transition from debtor to creditor nation would surely deprive them of export markets. A course far different from candid advice and help was chosen. While farmers were paid low prices on one hand, capital was exported on the other. This kept up the pretense of export outlets. This country paid for its exports with uncollected loans. In other words, we gave our farm products away.

The farmers went down to Washington. They asked for help. Chester C. Davis, now Administrator of the Agricultural Adjustment Act, was there to help press their claims. That was the farmers' drive for Government help through the McNary-Haugen bill. But the Government did not acknowledge its responsibility to the farmers. Congress did, but the White House didn't. The farmers' bill was vetoed for the second time in 1927. The money that should have gone to farmers, to businessmen and their employes, went into speculation. After 1929, agriculture with 25 per cent of the nation's population, saw its returns shrink to 7 per cent of the national income. Business in the agricultural regions was paralyzed by this loss of farm buying power. Factories manufacturing goods for farmers and businesses distributing goods to them could not sell. The collapse of agricultural purchasing power accounted for the unemployment of at least  $4\frac{1}{2}$  million men at the worst of the depression. An epidemic of business and bank failures crept eastward out of the West. Finally, the whole financial structure of the country fell to the ground. And that was the full flower of irresponsibility in high places.







Since March 4, 1933, Franklin D. Roosevelt has given this country a different kind of leadership. You may remember what the President said in his inaugural address, and again in his radio talk with the people a week later when the banks were ready to reopen.

He called for a great social effort. He affirmed his own responsibility to the people. He announced determination to use the full powers of the Government to save the economic and social values of our civilization. He called upon the American people to unite in a cooperative action for recovery. He galvanized us into determination and inspired us with hope. Because we knew that united behind that kind of leadership, nothing could stop the American people in war upon depression. You remember his dramatic appeal, and how it stirred you to the depths. Essentially the President was expressing the same impulse and the same motive which you express in your own civic efforts on behalf of your own communities.

Back of his appeal was his knowledge of the necessity for collective effort in behalf of national welfare. You have that knowledge as to your communities. You know that reliance on mere drift will not suffice. You know that the job is too big to be left to any individual, no matter how rugged. So you collect the community forces and lead them in a cooperative enterprise for the general good.

That is exactly what the President has been doing on a big scale in Washington. He is directing a cooperative enterprise.

The object is national recovery. More than that, it is reform. This means eliminating from our life gross abuses which if not corrected would lead to more and worse depressions in the future.

In all his efforts, the national welfare is the President's aim. The assistance to agriculture is vital, not only to the farmers themselves, but to the whole nation. It is vital to business. The restoration of 4 millions to



employment is a vital achievement. Except for those men and women who are restored to self maintenance, no one appreciates the basic nature of it more than the businessmen in this room. Your gravest concern is that the people of this country, agricultural and industrial, shall be able to reach and maintain a better standard of living. If this is accomplished your opportunities for sound business will grow. But without mass buying power, there can be no hope of distribution of the vast quantities of goods which we have the technical capacity to produce.

The interdependence of the major economic groups has been one of the real lessons of depression. We have learned how mathematically close farm income from some crops follows factory payrolls. The corn belt needs the South as a customer for its pork and beef and cereals. The South looks to the West for rich markets for cotton, fruit and vegetables and tobacco. Prosperity of Eastern industrial centers is watered and fed by the buying power of the whole nation.

So economically we are all in the same boat. We sink or sail together. The Government's program is designed not to help any single group or class. It has been planned to assist all the people everywhere. The Public Works Administration and Civil Works Administration, the home building program, home and business loans, farm credits, Reconstruction Finance Corporation, securities and commodity exchange legislation, relief measures to feed the hungry, the National Recovery Administration -- these and other instruments have been placed in operation to help the nation through assistance offered in each special field. The Agricultural Adjustment Administration is not designed merely to remove chronic discriminations against the farmer. That would be justification enough. But an even broader aim is restoration of the nation's greatest potential market for industrial goods, of employment, and business health.

In its broadest terms, the objective of the Roosevelt Administration is economic democracy. That means economic freedom for you and me comparable to American political democracy.





The Agricultural Adjustment Administration has adopted methods typical of these democratic aims. The greatest achievement under the Agricultural Act is the voluntary sign-up of three million farmers in our adjustment campaigns. That is a demonstration of democratic process for which the only parallel lies outside economic experiences. That parallel is the march to the polls for a political expression on election day. These farmers are enrolled in their own county production control associations. They manage their own adjustments through machines thoroughly decentralized on a county basis. None is required to sign a contract, or to do anything he does not voluntarily agree to do. You can not find anywhere a greater example of voluntary cooperative action.

I know you have heard something about regimenting the farmers. There is nothing to it. The only regimentation of agriculture in this country was regimentation of farmers off their farms and into the ranks of unemployed by process of foreclosure. That kind of regimentation has been checked since March 4, 1933.

We have undertaken no program without the overwhelming support of the farmers concerned. We have never employed a marketing agreement or a license except in compliance with the overwhelming demand of the farmers in that market. We have been upheld by five Federal Courts in everything we have done. In view of the facts you may dismiss the occasional obstructive bombast of anti-Administration spokesmen for what it is worth. We are going to continue to employ our marketing agreement and license powers to give the farmers an increased share in controlling prices and markets for their own crops. We never have conceded and do not now concede that any right is vested in any group of handlers, to exclude the farmer from a voice in control of his own crop income.



The Agricultural Adjustment Administration is determined to go ahead. Our determination is the same as that which animates the whole Roosevelt Administration.

The social effort launched by the President has transformed the economic outlook. The people have regained their lost morale. Strength is flowing back to agriculture and confidence is reviving business. You men here are too well informed to make it necessary for me to quote volumes of supporting facts. The 39 per cent increase in farm income in the Agricultural Adjustment Administration's first year is having its good effects. The Agricultural Adjustment Administration's 325 million dollars in benefit payments to farmers and surplus relief purchases are reviving farm buying power. Other Government measures are stimulating recovery. Every business survey tells the story -- factory payrolls for the first quarter of 1934 up 60 per cent over the first quarter in 1933; value of industrial production up 50 per cent; new passenger automobile sales up 66 per cent; construction contracts up 100 per cent; mail order sales up 40 per cent. And so on. Commercial failures have fallen 50 per cent. That is one big slump of the Roosevelt Administration. The outlook is for further improvement in farm income and better business this year.

The young men of the country will want this improvement to continue. The overwhelming number will gain if the New Deal achieves a permanent acknowledgment of social responsibility. The trend is in that direction. There may be a few eddies in this trend, without any real deflection in its ultimate course.

Our generation views the prospects from new angles. We have a chance to develop new kinds of personal effectiveness. Increasing human security should soften the passion for mere accumulation which disregards all else. Our immense productive power should gradually bring higher living standards within reach of all. Step up industrial output 20 per cent above previous levels. Then let us





see how close we come to displacing unemployment, and giving most American families a \$2500 annual income. I am told we would come very close. and agriculture, and between Government and business. Better relationships should develop between Government and business.

Conscious social effort to this end should open up new possibilities. More and more, the country will need men knowing the meaning of civic responsibility. More and more it should utilize those who want to accept such responsibility; men who are disinterested and informed. This would call for men keen enough to penetrate the kind of leadership which thrives by whetting regional or group prejudice. Increasing opportunity should arise for men to function as arbitrators or referees in handling inter-group and intersectional economic problems. For example, it is encouraging that the Government can now with overwhelming Senatorial assent openly hire patriotic young men of intellect.

If business is to fulfill its promises to the young man of today, elimination of the worst evil is essential. I know a vociferous few clamor to go back to the old deal. They make noise totally out of proportion to their numbers. These few are striving desperately to identify their special privileges of exploitation of business with business itself. But in that these few face discouragement. They are handicapped by growing public perception of their sinister purposes. They are up against the strong sense of civic responsibility among progressive businessmen of today.

The overwhelming majority of young men will gain from reforming the rules of business. Gain for the many is the usual motive for reform. In every advance, society has had to curb culprits, so that honest men could do business. In such steps forward, sometimes the general welfare has decreed the passing of time-worn privileges. Sometimes it has put traditional opportunity for individual power on the shelf. Captain Kidd was an outstanding rugged individualist of his time.



He and the other rugged individualists who sailed under the black flag reveled in their freedom of the seas. Rich booty in jewels, merchandise and money was their toll. When legitimate commerce demanded a new deal to curb brigandage there were howls of protest, especially when it was proposed to end the practice of issuing letters of marque which often served as a permit to piracy. Not only pirates but people who financed and trafficked in pirated goods protested. They denounced reform as a dictatorial blow at freedom of the seas; and no doubt too, as a plot of communists and theorists to undermine existing institutions, and overthrow the social order.

But the public chose to regard Captain Kidd and his kind, and not those wanting to subdue him, as the real foe of liberty.

Never again will there be in ocean commerce hauls so rich as the booty of the buccaneers. But when piracy was driven from the seas, honest commerce flourished. The vast majority of merchants thrived as they never had thrived before.

The Roosevelt program includes protection to business and investors from financial piracy. The Securities Act, stock exchange regulation, and similar measures have this purpose.

In the old lawless days, piracy took many forms. Land brigands such as Jesse James terrorized frontier communities. As long as these communities were not organized to defend themselves, they were exposed to repeated depredations. The pioneer settlers of the West did not sit idly by. They took vigorous steps to establish law and order. They sought to regiment themselves in such a way that men like Jesse James could do them no harm.

The New Deal is not limited to purely regulatory legislation. It includes other measures which aid the great groups of our population to organize themselves.





The object is to give them control over their own affairs. This control equips them for defense against exploitation as well as against the hazards of blind economic forces. The Agricultural Adjustment Act, the National Recovery Act, and the Bank Guarantee Act give this kind of protection.

All these measures are based upon acknowledgemen of the Government's responsibility to the people. But if these measures are to succeed, this responsibility must be shared by the people. If young men such as yourselves are to live and work in a world of true individualism where effort receives its just reward, you must help to build that world. The New Deal is more than a partisan political movement. It is an epoch-making social effort, epxressing a great nation's will to win.

